set up a Petroleum & Natural Gas Regulatory Board (PNGRB) under a Statute to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas excluding production of crude oil and natural gas, to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas and to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country and to promote competitive markets, and for matters connected therewith or incidental thereto. The draft PNGRB Bill is under the consideration of the Government.

Stability in Petrol and Diesel Prices

†2222. SHRI DARA SINGH:
SHRI RAM JETHMALANI:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have taken any steps so far to minimize the impact of continued rising international crude prices on domestic oil prices;

(b) if so, the details of steps taken till date to ensure stability of petrol and diesel prices in the country;

(c) whether Government have so far taken any action to modify present duty structure on oil; if so, the details thereof;

(d) whether Government are also contemplating any long-term supply contract with oil producing countries; and

(e) if so, the steps taken in this regard till date?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) Since the end of 2003, there has been an unprecedented, sharp and spiraling increase in international oil prices combined with considerable week-to-week and even day-today volatility. The Indian Basket of crude oil touched and all-time high of

†Original notice of the question was received in Hindi.

US$62.78/bbl on 1-9-2005. Against the average Indian Crude Basket price of US$27.96/bbl during 2003-04 and US$39.21 during 2004-05, the aveage for November 2005 was US$53.14/bbl.

With a view to containing the burden of the increase in international prices on consumers of sensitive petroleum products, since June, 2004 Government elucidated the principles of containing the burden of increase in international prices on consumer of sensitive petroleum products. It was decided that the burden should be equitably shared by consumers, the Government and Oil Companies. Government for its part, reduced the excise duty on petrol and diesel by 4% and 3% respectively effective 16.6.2004 and, effective 19.8.2004, the excise duty on petrol and diesel was further reduced by 3%. Government also reduced customs duty by 5% each on petrol and diesel with effect from 19.8.2004. In the Budget 2005-06, customs duty on crude was reduced from 10% to 5%, on kerosene and LPG from 5% to nil and on other petroleum products from 15-20% to 10%.

(d) and (e) OMCs already have long-term contracts with suppliers. The question of longer-term supply contracts was raised by India at the first Round Table of Asian Oil Ministers on regional cooperation in the oil & gas economy held in New Delhi on 6th January, 2005 which was attended by Ministers/representatives from Iran, Japan, Malaysia, Oman, Qatar, Saudi Arabia, UAE, Kuwait, China, Korea besides host India. Public sector oil companies factor in long-term contracts in their purchase arrangements, as appropriate, but it may be noted that long-term contracts only provide for assurance of supplies; prices and linked to periodic variations in international markets.

Agreement with Myanmar on Gas]
Pipeline Project

2223. SHRI MOOLCHAND MEENA:
DR. T. SUBBARAMI REDDY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether over $2.5 billion Myanmar-lndia gas pipeline project *via* Bangladesh is back on track with Bangladesh Government open to